(c) In view of the ensuing budget 1995-96, it is not possible to indicate the views of the Government in this matter at this stage.

Sick Industries Referred to BIFR

46. SHRI S. AUSTIN: Will the Minister of FINANCE be pleased to state:

(a) the number of sick industries referred to the Board of Industrial and Financial Reconstruction during the last year;

(b) the details of the above industries closed down during the above period, State-wise; and

(c) the steps taken to rehabilitate the staff of the above industries?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) Of the 296 references received under section 15 of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) by the Board for Industrial and Financial Reconstruction (BIFR) during 1994 and 18 references carried forward from 1993, 193 references were registered by BIFR in 1994.

(b) BIFR has deported that during 1994, 102 cases were recommended to the High Courts for winding up. These included two cases registered during the year.

(c) Under SICA, BIFR is required to revive potentially viable sick industrial companies and recommend to the concerned High Courts closure of non-viable companies. While employment aspect is kept in view by BIFR at the time of considering the viability of a sick industrial company, SICA does not provide for rehabilitation of staff as such.

Setting up of Committee on Malpractices in Banks

47. SHRI S. AUSTIN:
SHRI V. RAJAN CHELLAPPA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government had set up a Committee to inquire into various aspects relating to malpractices in Banks;

(b) whether the Committee has submitted its report;

(c) if so, the recommendations of the Committee; and

(d) the recommendations accepted so far?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) to (d) The Reserve Bank of India (RBI) had set up a high level committee under the chairmanship of Shri A. Ghosh, Deputy Governor, Reserve Bank of India to enquire into the various aspects of frauds and malpractices in banks The Committee submitted its report in 1992 to Governor, RBI. A summary of the main recommendations of the Committee is given in the annexed. Statement. (See below)

The report of the Committee was examined by RBI, and the banks were advised in August, 1992 to immediately implement 88 recommendations out of 123 recommendations contained in the report. The banks have reported having implemented most of these recommendations. The remaining recommendations were examined by RBI in consultation with Government and Indian Banks' Association and 16 recommendations have now been advised to banks for implementation.

Statement-I

Summary of the main recommendations of the Committee appointed by Reserve Bank of India (RBI) to enquire into various aspects of frauds and malpractices in Banks

1. Banks should strictly adhere to the operational precautions.

2. Currency chest transactions should be reported to the RBI's Issue Department on the same day.

3. Banks should guard themselves against misuse of banking channels